



**Fremont City Council**  
 3300 Capitol Avenue  
 Fremont, CA 94538  
**SCHEDULED**

Meeting: 10/04/11 07:00 PM  
 Div/Dept: City Managers Office  
 Category: Plans, Policies and Studies

**STAFF REPORT (ID # 1158)**

Sponsors:  
 DOC ID: 1158 G

## **STRATEGIC SUSTAINABILITY STUDY ACTION PLAN - Consider Staff's Recommendations on the Strategic Sustainability Study Action Plan and Provide Direction on the Action Plan**

### **Contact Persons:**

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**Executive Summary:** The purpose of this report is to present the Sustainability Study Action Plan (attached) for Council consideration and to seek direction on the recommended implementation plan for each recommendation. Below is further discussion on how the Action Plan is organized.

**BACKGROUND:** Over the past several years, the City has taken many steps to address budget shortfalls. The organization has reduced positions, negotiated labor concessions, and has shaved back on operational budgets. It has already achieved compensation reductions this year, which equate to tremendous savings for the organization. Similar to other cities, Fremont is exploring new ways to achieve long-term fiscal sustainability.

In March 2011, the City of Fremont engaged Management Partners to conduct a strategic sustainability study and to develop recommendations to assist the City in achieving long-term financial sustainability. The analysis identified ways to reduce costs and increase revenue to better align annual expenditures with current revenues. In addition, the study presented 33 recommendations with suggested implementation timeframes.

Management Partners also identified a multi-pronged approach for achieving fiscal sustainability, which included:

- 1) Service delivery model changes;
- 2) Compensation changes;
- 3) Expenditure controls and shifts; and
- 4) New or increased revenues.

The Sustainability Study was presented to Council on July 26, 2011, where the Council received Management Partners' presentation and directed staff to return with further analysis on each recommendation in the form of a detailed action plan that includes recommendations, implementation steps and implementation timeframes. The information which follows provides a response to Council's direction.

**DISCUSSION/ANALYSIS:** In accordance with Council direction, the attached Action Plan provides further information on the 33 recommendations presented by Management Partners. The Action Plan also identifies staff's recommended action for each recommendation, which falls into one of two categories:

- Category 1:** Recommended for implementation  
**Category 2:** Recommended for further analysis

In addition, each of the recommendations includes the following information:

- **Implementation/Analysis Steps:** *This section details the activities, or steps needed to either perform analysis or implement the recommendation or perform further analysis on the recommendation.*
- **Potential Annual Savings:** *This section, when available, estimates the annual dollars that will be saved in the General Fund once implementation is completed.*
- **Implementation/Analysis Timeframes:** *These sections indicate the priority timeframes needed to either implement the recommendation or to do further analysis. This section also denotes any differences in priority levels between Management Partners report and staff recommendations. Timeframes are defined by A, B, or C and are defined as follows:*

Priority	Timeframe
A (immediate)	2011/12 Fiscal Year
B (mid-range)	Mid-range 1-2 Years (2012-2014 Fiscal Years)
C (long-range)	Long-range 3-4 Years (2014-2016 Fiscal Years)

- **Comment Section:** *This section provides any additional comment when appropriate related to either the implementation of the recommendation or the analysis needed to further study the recommendation.*

In summary, staff is proposing 15 recommendations for implementation and 18 recommendations for further analysis. In some instances, a phased approach has been recommended or alternative recommendations are proposed to be implemented. In addition, there is one recommendation related to civilianizing public safety positions that is proposed to be partially implemented now and partially requires further analysis. More detail on each recommendation is provided in the attached Action Plan. Below is a high-level summary by category and also includes priority level.

***Table 1: Recommended for Implementation (Category 1)***

Recommendation	Priority
1. Adopt a comprehensive list of budget principles	A
2. Issue an RFP to outsource landscaping & park maintenance <b>(Phased Approach)</b>	A/B
3. Residential Street Sweeping Service Model Change <b>(Alternative Recommendation)</b>	B
6. Transition General Fund supported Human Services programs to Alameda County <b>(Alternative Recommendation)</b>	A/B
7. Negotiate two-tier retirement plans for all labor groups.	A
16. Modify the internal service fund for fleet services	A
17. Implement the rotating 4/10 patrol schedule	A
21. Civilianize certain Public Safety positions <b>(Partial Implementation)</b>	A
22. Develop an Information Technology strategic plan to guide the City's technology investments	A
23. Consolidate Police Department IT into the City's ITS Department	A
24. Allocate City cell phones on the basis of critical business necessity	A
25. Fund eligible city programs or projects with CDBG grant dollars	A
28. Conduct a comprehensive master fee study and recommend changes to the City Council	A
29. Conduct an in-depth review of the Development Cost Center Fees	A
31. Develop a comprehensive Asset Management Program	A

***Table 2: Recommended for further analysis (Category 2)***

Recommendation		Priority
4.	Consolidate police call taking and dispatch activities for Fremont, Newark, and Union City	A
5.	Consolidate Fire and Police dispatch	A
8.	Renegotiate labor contracts to provide only those specialty pays required for sound business	B
9.	Reduce or eliminate education incentive pay	B
10.	Negotiate the elimination of EMT specialty pay for fire personnel	B
11.	Negotiate the elimination of health benefits allowance excess cash	B
12.	Utilize the FSLA-approved methodology to calculate overtime	B
13.	Eliminate Health Benefits Allowance and alternative benefits for temporary employees	B
14.	Implement 10- to 15-step salary ranges	B
15.	Conduct an analysis and implement market-based hiring	B
18.	Negotiate changes in MOUs to institute caps on leave usage	B
19.	Negotiate with the Fremont Fire Association to enable the City to make policy decisions to adjust fire staffing to match workload and reduce constant overtime staffing	B
20.	Develop and implement a flexible fire station brownout schedule to match staffing to workload demand	B
26.	Place a measure on the November 2012 ballot to remove the cap on the paramedic tax	TBD
27.	Determine the Council's interest in asking the voters to approve new or increased taxes	TBD
30.	Develop an implementation plan for a "pay to stay" program for the Detention Center	A
32.	Increase the Clean Water Protection fee for FY 2012/13	A
33.	Add one analytical position to the budget process	TBD

**FISCAL IMPACT:** The implementation of any one of the recommendations or principles may trigger a fiscal impact at varying levels.

**ENVIRONMENTAL REVIEW:** There is no project or other action related to this staff report that triggers provisions of the California Environmental Quality Act (CEQA). Therefore, no CEQA determination is required.

**ATTACHMENTS:**

- Strategic Sustainability Study Action Plan

**RECOMMENDATION:**

- Review and discuss the Strategic Sustainability Study Action Plan; and
- Consider staff's recommendations on the implementation of the Strategic Sustainability Study Action Plan.



# Sustainability Study Action Plan

## Fremont City Council

October 4, 2011

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## ACTION PLAN OVERVIEW

The following Action Plan provides detail on staff's recommendations, implementation steps, timelines, and priorities for each of the 33 recommendations noted in the Sustainability Study conducted by Management Partners. The Action Plan also identifies staff's recommended action for each Management Partners' recommendation, which falls into one of two categories:

**Category 1:** Recommended for implementation

**Category 2:** Recommended for further analysis

In addition, each of the recommendations includes the following information:

- **Implementation/Analysis Steps:** This section details the activities, or steps needed to either perform analysis and implement the recommendation or perform further analysis on the recommendation.
- **Potential Annual Savings:** This section, when available, estimates the annual dollars that will be saved in the General Fund once implementation is completed.
- **Implementation/Analysis Timeframes:** These sections indicate the priority timeframes needed to either implement the recommendation or do further analysis. This section also denotes any differences in priority levels between Management Partners report and staff recommendations. Timeframes are defined by A, B, or C and are defined as follows:

Priority	Timeframe
A (immediate)	2011/12 Fiscal Year
B (mid-range)	Mid-range 1-2 Years (2012-2014 Fiscal Years)
C (long-range)	Long-range 3-4 Years (2014-2016 Fiscal Years)

- **Comment Section:** When appropriate, this section provides any additional comment related to either the implementation of the recommendation or the analysis needed to further study the recommendation.

**RECOMMENDATION #1**Adopt a comprehensive list of budget principles – **Implement (Category 1)****IMPLEMENTATION STEPS**

- Review budget principles in the Management Partners Report.
- Determine which principles have already been developed and which ones need to be developed.
- Survey policies adopted by other cities and develop principles/policies appropriate for Fremont.
- Draft City Council staff report.
- Identify Council meeting date for presentation.
- Utilize adopted budget principles in decisions having financial implications, as well as in the development of the FY 2012/13 operating budget, including performance measurement principles.

Potential Annual Savings	Priority	Implementation Timeframe
N/A	A	6 months
<b>Comment:</b> Staff will prepare and bring forward for Council consideration a set of budget principles that will be used to guide the development of the FY 2012/13 budget and beyond.		



**RECOMMENDATION #2**Issue an RFP to outsource landscaping and park maintenance – **Implement (Category 1)****IMPLEMENTATION STEPS**

- Conduct comprehensive asset inventory.
- Develop performance criteria.
- Develop geographic contract zones.
- Prepare and issue RFPs.
- Select, recommend, and negotiate with vendor.
- Transition to contract services.

<u>Phase I (8 months)</u>	<u>Phase II (18-24 months)</u>
Savings: \$500,000-700,000	Savings: \$800,000-1.4 million
Proceed with contracting out work equivalent to the reduction in staff in Medians and Mowing.	Concurrently begin the process of developing an asset inventory and performance standards for the remainder of Landscape Maintenance.

Potential Annual Savings	Priority	Implementation Timeframe
\$500,000 to 1.9 million	A (Phase I)/B (Phase II)	8-24 months
<b>Comment:</b> Implement a phased approach for contracting services that would include outsourcing by geography and work areas. This plan would also include realignment of work, reclassifications, contract management training, and retention of some staff for specialized tasks. In addition, it may require an in-house project manager or the hiring of an outside consultant to provide technical support and capacity. May be required to meet and confer over the impact.		

**RECOMMENDATION #3**Conduct managed competition for residential street sweeping – **Implement (Category 1) with alternative recommendation****ALTERNATIVE RECOMMENDATION:** Pursue incorporating street sweeping into the new waste hauling contract during the next renewal cycle.

Potential Annual Savings	Implementation Priority	Implementation Timeframe
\$335,000	B	12-24 months
<b>Comment:</b> Staff is currently negotiating a substantial amendment with Allied Waste that staff will bring to Council this fall as part of the biennial rate-setting process. This amendment would extend the contract. Staff will also discuss incorporating street sweeping in a future amendment and return to Council once the appropriate steps have been completed. May be required to meet and confer over the impact.		

**RECOMMENDATION #4**

Consolidate police call taking and dispatch activities for Fremont, Newark, and Union City – **Further analysis needed (Category 2)**

ANALYSIS STEPS

- Deltawrx Management Consultants began their study on September 12, 2011.
- Consultant anticipates completing feasibility study and cost factors by February 3, 2012.
- Determine whether consolidation is feasible.
- Establish tri-city working group to review and analyze study and feasibility options.
- If consolidation is feasible, develop a detailed implementation timeline and consolidation agreement.
- Present consolidation agreement to the City Council of the three cities for approval.

Potential Annual Savings	Priority	Analysis Timeframe
Requires further technical analysis to determine potential savings	A (was C)	By February 2012
<b>Comment:</b> If consolidation of these services appears to be feasible, staff anticipates that the training timeframe for the dispatchers, who will serve these three cities, will be between 4 and 6 months. The implementation timeline could be impacted based on layoff procedures for Newark and Union City, as well as CAD compatibility of Newark to Fremont's Tiburon CAD/RMS system.		

**RECOMMENDATION #5**

Consolidate call taking and dispatch activities between the Fremont Fire and Police Departments – **Further analysis needed (Category 2)**

ANALYSIS STEPS

- Deltawrx Management Consultants began their study on September 12, 2011.
- Consultant anticipates completing feasibility study and cost factors by February 3, 2012.
- Determine whether consolidation is feasible.
- If consolidation is feasible, develop a detailed implementation timeline.

Potential Annual Savings	Priority	Analysis Timeframe
Requires further technical analysis to determine potential savings	A (was B)	By February 2012
<b>Comment:</b> Staff is awaiting the results of the consultant's report to understand feasibility and true cost savings related to consolidating dispatch of Police and Fire. Current police dispatchers would need additional training on medical and fire protocols.		

**RECOMMENDATION #6**

Transition out of Human Services functions that rely on General Fund support redundant with those provided by Alameda County if doing so would not impact opportunities for grant or other outside funding – **Implement with Alternative Recommendation (Category 1)**

**Alternative Recommendation:** Acknowledge cost control initiatives already implemented to date by Human Services and reduce the General Fund support by \$359,000 over the next three fiscal years while continuing to aggressively seek more grant funding from other organizations.

Background:

The Human Services Department has a total budget of approximately \$13.5 million, which comes from various funding sources, including 27% of General Fund support. During the FY 2010/11 budget cycle, the Department's on-going General Fund allocation was capped at \$3.6 million, and this year will be reduced by the savings the City realizes as a result of labor concessions. During the current fiscal year, the Department also assumed additional operating cost increases including, leave-time buy-outs and PERS increases.

As noted above, staff has developed an alternative recommendation that achieves the goal of reducing the General Fund support for Human Services. Below are implementation steps associated with implementing the alternative recommendation.

Implementation Steps:

- **Reduce the General Fund Contribution Cap**

Implementation Timeframe	General Fund Cap
Current Cap	\$3.622 million
FY 2011/12	\$3.609 million (\$13,000 reduction)
FY 2012/13	\$3.462 million (\$147,000 reduction)
FY 2013/14	\$3.360 million (\$102,000 reduction)
<b>Comment:</b> The reduction in General Fund support may result in service reductions, which is dependent on the success of increasing other revenue generation efforts as described below.	

Department proposes to reduce the General Fund Cap described in the above table by:

- ü Transitioning General Fund staff positions to grants and/or reduce staff hours, saving \$97,000 in FY 2012/13 and \$32,000 in FY 2013/14.
- ü Decreasing the current \$514,000 in General Fund support for the social service grants by \$13,000 in FY 2011/12, \$50,000 in FY 2012/13 and \$70,000 in FY 2013/14.

- **Goals for achieving more revenue generation from other sources:**

Implementation Timeframe	Goal
FY 2011/12	\$73,000
FY 2012/13	\$93,000
FY 2013/14	\$124,000

- ü The Human Services Department will also look at potential redundancies with County services and new funding opportunities that might be used to reduce the General Fund obligation in the future.

**RECOMMENDATION #7**

Negotiate two-tier retirement plans for all labor groups. Return to the benefit levels in place prior to existing benefits – **Implement (Category 1)**

**IMPLEMENTATION STEPS**

- Collectively bargain 2nd tier benefit with the various bargaining associations.
- Draft City Council staff report and enabling documents for City Council consideration.
- Coordinate implementation with CalPERS.

Potential Annual Savings	Priority	Implementation Timeframe
\$3.3 to \$5.5 million	A	0-6 months
<b>Comment:</b> Staff will prepare the necessary report for Council consideration in October 2011 for implementation in January 2012.		

**RECOMMENDATION #8**

Renegotiate labor contracts to provide only those specialty pays required for sound business purposes – **Further analysis needed (Category 2)**

**ANALYSIS STEPS**

- Requires future collective bargaining with labor associations to make changes.
- Perform a comprehensive total classification and compensation study to determine business purpose and market conditions.
- Analyze labor market conditions to develop an overall labor relations strategy for Council consideration during the next formal MOU negotiations with the various labor groups.
- Consider developing a comprehensive employee compensation philosophy by looking at emerging best practices as well as considering alternative options.
- Partner collaboratively with the labor associations to implement any changes.

Potential Annual Savings	Priority	Analysis Timeframe
\$330,000	B (was A)	18-24 months
<b>Comment:</b> Various specialty pays are currently provided to six bargaining groups. Specialty pay(s) are a component of an overall compensation package that is best viewed in their entirety and not on the basis of single elements.		

**RECOMMENDATION #9**Reduce or eliminate education incentive pay – **Further analysis needed (Category 2)****ANALYSIS STEPS**

- Requires future collective bargaining with labor associations to make changes.
- Perform a comprehensive total classification and compensation study to determine business purpose and market conditions.
- Analyze labor market conditions to develop an overall labor relations strategy for Council consideration during the next formal MOU negotiations with the various labor groups.
- Consider developing a comprehensive employee compensation philosophy by looking at emerging best practices as well as considering alternative options.
- Partner collaboratively with the labor associations to implement any changes.

Potential Annual Savings	Priority	Analysis Timeframe
\$981,000	B (was A)	18-24 months
<b>Comment:</b> Education Incentive Pay is a component of an overall compensation package that is best viewed in their entirety and not on the basis of single elements.		

**RECOMMENDATION #10**Negotiate the elimination of EMT specialty pay for fire personnel – **Further analysis needed (Category 2)****ANALYSIS STEPS**

- Requires collective bargaining with the Fremont Fire Association to make changes.
- Prior to future labor negotiations, perform a comprehensive total classification and compensation study to determine business purpose and market conditions.
- Analyze labor market conditions to develop an overall labor relations strategy for Council consideration during the next formal MOU negotiations with the various labor groups.
- Consider developing an overall employee compensation philosophy by looking at emerging best practices as well as considering alternative options.

Potential Annual Savings	Priority	Analysis Timeframe
\$285,000	B (was A)	18-24 months
<b>Comment:</b> EMT Specialty Pay is component of an overall compensation package that is best viewed in their entirety and not on the basis of single elements.		

**RECOMMENDATION #11**

Negotiate the elimination of health benefits allowance excess cash (alternative benefits compensation) provisions – **Further analysis needed (Category 2)**

ANALYSIS STEPS

- Requires collective bargaining with all labor associations to make changes.
- Prior to future labor negotiations, perform a comprehensive total classification and compensation study to determine business purpose and market conditions.
- Analyze labor market conditions to develop an overall labor relations strategy for Council consideration during the next formal MOU negotiations with the various labor groups.
- Consider developing a comprehensive employee compensation philosophy by looking at emerging best practices as well as considering alternative options.
- Partner collaboratively with the labor associations to implement any changes.

Potential Annual Savings	Priority	Analysis Timeframe
\$2.9 million	B (was A)	18-24 months
<b>Comment:</b> It should be noted that the potential savings will be reduced as the cost of health insurance increases but the City's contribution remains flat.		

**RECOMMENDATION #12**

Utilize the FSLA-approved methodology to calculate overtime, which excludes leave time from the time worked calculation – **Further analysis needed (Category 2)**

ANALYSIS STEPS

- Requires collective bargaining with various labor associations to make changes.
- Prior to future labor negotiations, perform a comprehensive total classification and compensation study to determine business purpose and market conditions.
- Determine and verify estimated savings from changing methodology.
- Analyze labor market conditions to develop an overall labor relations strategy for Council consideration during the next formal MOU negotiations with the various labor groups.
- Consider developing a comprehensive employee compensation philosophy by looking at emerging best practices as well as considering alternative options.
- Partner collaboratively with the labor associations to implement any changes.

Potential Annual Savings	Priority	Analysis Timeframe
\$960,000 to \$1 million	B (was A)	18-24 months

**RECOMMENDATION #13**

Eliminate Health Benefits Allowance and alternative benefits compensation provisions for temporary employees – **Further analysis needed (Category 2)**

ANALYSIS STEPS

- Requires future collective bargaining with labor associations to make changes.
- Perform a comprehensive total classification and compensation study to determine business purpose and market conditions related to temporary workers.
- Analyze labor market conditions to develop an overall labor relations strategy for Council consideration during the next formal MOU negotiations with the various labor groups.
- Consider developing a comprehensive employee compensation philosophy for temporary workers by looking at emerging best practices as well as considering alternative options.
- Partner collaboratively with the labor associations to implement any changes.

Potential Annual Savings	Priority	Analysis Timeframe
\$120,000	B (was A)	18-24 months

**RECOMMENDATION #14**

Implement a 10- to 15-step salary range to spread out merit (performance) increases to six to nine years instead of the current three – **Further analysis needed (Category 2)**

ANALYSIS STEPS

- Conduct a study of other agencies that have migrated away from the traditional five-step model.
- Analyze various options including performance based merit systems as well as alternative step based systems and best practices in government and private sector employers.
- Incorporate any parallel efforts to revise the City's performance management system and philosophy.
- Make recommendation and provide alternatives for the best model for Fremont.
- Partner collaboratively with the labor associations to implement any changes.

Potential Annual Savings	Implementation Priority	Analysis Timeframe
Requires further technical analysis to determine potential savings	B (was C)	18-24 months



**RECOMMENDATION #15**

Conduct an analysis of recruitments completed over the past five years to ascertain positions for which large number of applicants apply and reduce entry level compensation for these positions – **Further analysis needed (Category 2)**

**ANALYSIS STEPS**

- Requires future collective bargaining with labor associations to make changes.
- Conduct a study of employment recruitments to determine number of applicants as well as qualified applicants and turnover rates for City classifications.
- Prior to future labor negotiations, perform a comprehensive total classification and compensation study to determine business purpose and market conditions.
- Analyze labor market conditions to develop an overall labor relations strategy for Council consideration during the next formal MOU negotiations with the various labor groups.
- Consider developing a comprehensive employee compensation philosophy by looking at emerging best practices as well as considering alternative options.
- Partner collaboratively with the labor associations to implement any changes.

Potential Annual Savings	Priority	Analysis Timeframe
Requires further technical analysis to determine potential savings	B (was C)	18-24 months

**RECOMMENDATION #16**

Modify the internal service fund for fleet services to capture and allocate all fleet maintenance, operating and replacement costs – **Implement (Category 1)**

**IMPLEMENTATION STEPS**

- Identify the management goals to be accomplished with the recommendation, to include cost savings, usage standards, and accountability.
- Determine the average cost of repairs and maintenance for the past five years for each vehicle type.
- Determine the allocation percentages for each City department.
- Use the average annual cost of repairs and maintenance and factor this amount into the fund cost allocations by department.

Potential Annual Savings	Priority	Implementation Timeframe
Requires further technical analysis to determine potential savings	A (was B)	6 months; with the adoption of the next budget



**RECOMMENDATION #17**

Implement the rotating 4/10 patrol schedule recommended by the Police Department's Shift Configuration Committee – **Implement (Category 1)**

**IMPLEMENTATION STEPS**

- New shift to be implemented for FPA patrol personnel by January 2012.

Potential Annual Savings	Priority	Implementation Timeframe
\$500,000	A	6 months
<b>Comment:</b> Staff is in the process of preparing for this transition.		

**RECOMMENDATION #18**

Negotiate changes in MOUs to institute caps on leave usage and strengthen management's ability to control scheduled and unscheduled leave – **Further analysis needed (Category 2)**

**ANALYSIS STEPS**

- Requires future collective bargaining with labor associations to make changes.
- Conduct a study of various leave programs in government and private sector employers.
- Meet with various stakeholders in the City to determine the best alternatives that balance the needs of the employees with the needs of the organization and ultimately the users of City services.
- Develop a comprehensive leave program and philosophy by reviewing emerging best practices for overall leave programs and alternative work programs, as well as considering alternative options.
- Partner collaboratively with the labor associations to implement any changes.

Potential Annual Savings	Priority	Analysis Timeframe
Requires further technical analysis to determine potential savings	B (was A)	18-24 months

**RECOMMENDATION #19**

Negotiate with the Fremont Fire Association to enable the City to make policy decisions to adjust fire staffing to match workload and reduce constant overtime staffing costs – **Further analysis needed (Category 2)**

**ANALYSIS STEPS**

- Determine operational approach (refer to Recommendation #20).

Potential Annual Savings	Priority	Analysis Timeframe
Requires further technical analysis to determine potential savings	B (was A)	18-24 months

**RECOMMENDATION #20**

Develop and implement a flexible fire station brownout schedule for engine and truck companies to match staffing to workload demand – **Further analysis needed (Category 2)**

**ANALYSIS STEPS**

- Review existing brownout plans and response data.
- If necessary, contract to acquire more recent data.
- Create options.
- Project service impacts.
- Project infrastructure impacts - relocate station(s), if needed.
- Have a work session with Council to choose desired option.
- Review and edit Standard of Cover as necessary in General Plan Chapter 10.
- Partner with labor associations to implement any changes in staffing.

Potential Annual Savings	Priority	Analysis Timeframe
Requires further technical analysis to determine potential savings	B	18-24 months

**RECOMMENDATION #21**

Convert selected public safety positions from sworn officers to civilian employees – **Implement (Category 1) (2 of the 5 positions)**

IMPLEMENTATION STEPS

- Create plan including timeframe for implementation to convert positions from sworn to civilian.
- Research and create classification(s), job description(s), and salary range(s).
- Determine appropriate bargaining unit and seek approval of additional new job classification.
- Partner collaboratively with impacted labor associations to implement any changes.
- Convert positions.

Potential Annual Savings	Priority	Implementation Timeframe
\$250,000	A	0-6 months
<p><b>Comment:</b> Management Partners recommended the civilianization of 5 positions from sworn to non-sworn. Staff is recommending <u>at this time</u> that two of the positions in Dispatch and the Animal Control Division (1 position each) be civilianized.</p> <p>One of the two fire positions identified (Deputy Fire Marshal) is already eligible to be filled by a qualified non-sworn candidate. This change was made in 2006. The incumbent is a sworn officer and that experience brings value to fire prevention during development processes. The likely candidate pool in the future, however, consists of non-sworn code enforcement officers and will likely change this position through attrition. Making the change now will require either (1) a layoff, or (2) overstaffing in fire operations as the incumbent moves back to operations.</p> <p>The other 2 positions need more analysis before a determination is made.</p> <p>For the second identified Police position (Police Lieutenant) overseeing the Detention Facility, staff will need to perform analysis related to safety and security issues of overseeing this facility as well as the outcome of the pending pay-to-stay program.</p> <p>The other identified Fire position (Training Staff Captain) requires more study as it is a position that directly provides highly technical training on a variety of subjects, including paramedic topics, and fire and rescue technical aspects. A non-sworn position capable of providing that training in current form could be found, and would likely be a separated (former) fire or paramedic professional. Other divisions of labor could be considered in fire training, but currently the technical workload demands a sworn candidate. Non-sworn candidates bring other attributes, including educational methodology expertise (testing, lesson plan development, curriculum development); however, they may require technical expertise from within the organization to accomplish training tasks. Making the change now will require either (1) a layoff, or (2) overstaffing in fire operations as the incumbent moves back to operations.</p>		

**RECOMMENDATION #22**

Develop an Information Technology strategic plan to guide the City's technology investments – **Implement (Category 1)**

IMPLEMENTATION STEPS

- Determine scope of strategic plan.
- Develop vision, philosophy and guiding principles.
- Meet with each department to determine 3-5 year Information Technology objectives.
- Meet with Citywide Leadership Team to determine priorities.
- Discuss strategies for implementing objectives including financial, process, and organizational.
- Meet with departments to review draft plan.
- Revise, review, finalize and adopt plan.

Potential Annual Savings	Implementation Priority	Implementation Timeframe
Requires further technical analysis to determine potential savings	A (was B)	12 months

**RECOMMENDATION #23**

Consolidate responsibility and resources for information technology from the Police Department IT into the City's ITS Department – **Implement (Category 1)**

IMPLEMENTATION STEPS

- Meet with Police Department staff to determine service level needs.
- Review existing service tickets.
- ITS draft service level agreement to review with the Police Department.
- Accept and approve with signatures.
- Develop plan to implement changes in staffing resources, and implement.

Potential Annual Savings	Implementation Priority	Implementation Timeframe
\$112,000	A	6-12 months

**RECOMMENDATION #24**

Allocate City cell phones on the basis of critical business necessity and offer a nominal cell phone allowance for City-related calls to employees for whom a City-provided cell phone is not essential – **Implement (Category 1)**

**IMPLEMENTATION STEPS**

- Analyze critical business necessity for those employees with City-issued phones.
- Confirm that employees with allowances should have the allowance.
- Eliminate either City issued phone or allowances, or both, based on findings.

Potential Annual Savings	Implementation Priority	Implementation Timeframe
\$51,000	A	6-12 months
<b>Comment:</b> Staff is currently working on revising the Administrative Regulation related to Cell Phone Usage.		

**RECOMMENDATION #25**

Fund eligible City programs or projects with CDBG grant dollars to the extent possible, before making funds available to outside organizations – **Implement (Category 1)**

**IMPLEMENTATION STEPS**

- October 15: Complete analysis, subject to HUD regulations, focusing on the percent of low/moderate income households and identify the nexus to deteriorated/deteriorating areas to identify eligible block groups for use of CDBG funding.
- November. 1: Identify eligible City uses for CDBG capital funding.
- November: 30: Develop specific recommendations for potential use of CDBG funds to replace General Fund obligations.
- December 15: Issue request for proposals for projects and conduct public hearing.
- December 15-February 15: Develop City proposals for use of CDBG funds.
- February 15: Receive all proposals for review and comment and hold public hearings by the Citizen Advisory Committee (CAC) in accordance with HUD's Citizen Participation Requirement.
- March 1-March 15: CAC review of all proposals and recommendation of priorities.
- April 30: Staff recommendations to City Council for final decision.

Potential Annual Savings	Priority	Implementation Timeframe
Up to \$860,000	A (was B)	3-7 months
<b>Comment:</b> CDBG funds must be used to benefit low and moderate income (up to 80% of Area Median Income) households, as evidenced either by area, limited clientele, or presumed beneficiary (senior, disabled, etc.). Substantial amounts of CDBG funds have been used for housing rehabilitation and to assist in development of affordable housing, which are existing City Council priorities. The City does not have its FY 2012/13 CDBG allocation. Last year, it was not received until May, and it included reductions. Additional reductions may be anticipated, based on the status of the federal budget. Funds would not be available until July 1, 2012.		

**RECOMMENDATION #26**

Place a measure on the November 2012 ballot to remove the cap on the paramedic tax –  
**Further analysis needed (Category 2).**

**ANALYSIS STEPS**

- Conduct polling to determine public receptivity to a tax increase.
- Discuss polling results and potential tax structure with Council.
- Determine willingness of stakeholders to campaign for the tax.
- Develop public outreach strategy.
- Conduct public outreach.
- Place tax measure on the November 2012 ballot, if appropriate, or determine another election date.

Potential Annual Savings	Priority	Analysis Timeframe
\$11,460 for each 1% increase	TBD	TBD
<b>Comment:</b> Because this is a special tax, it requires a 2/3 majority vote for approval. Also, as a special tax, it can be placed on any ballot (unlike a general tax, which must be on a ballot that includes an election for Councilmembers).		

**RECOMMENDATION #27**

Determine the Council's interest in asking the voters to approve new or increased taxes –  
**Further analysis needed (Category 2).**

**ANALYSIS STEPS**

- Identify the various types of existing and new taxes for Council consideration, including estimates of potential revenue generating capacity and complexity of implementation and administration.
- Present the information to Council and receive feedback about whether and how to proceed.

Potential Annual Savings	Priority	Analysis Timeframe
TBD	TBD	TBD
<b>Comment:</b> If Council determines this is an approach it would like to pursue, polling will need to be conducted. In addition, a public outreach study will need to be developed and conducted in advance of the election.		

**RECOMMENDATION #28**

Conduct a comprehensive master fee study and recommend changes to the City Council –  
**Implement (Category 1)**

**IMPLEMENTATION STEPS**

- Review the Master Fee Schedule to identify the types of fees being charged and in need of review.
- Engage a consultant experienced in comprehensive fee studies.
- Present the results of the study to Council for consideration of changes to Master Fee Schedule.
- Identify and implement process for ongoing comprehensive regular review of fees.
- Centralize responsibility.

Potential Annual Savings	Priority	Implementation Timeframe
Requires further technical analysis to determine potential savings	A (was B)	9-12 months

**RECOMMENDATION #29**

Conduct an in-depth review of the Development Cost Center fees with a goal of achieving full cost recovery – **Implement (Category 1)**

**IMPLEMENTATION STEPS**

- Collect and analyze data to establish new fees that achieve cost recovery
- Institute systems to collect data, should data be unavailable
- Conduct community outreach as necessary
- Draft City Council staff report and fee resolution
- Identify Council meeting date for public hearing and prepare notification
- Adopt new fees

Potential Annual Savings	Priority	Implementation Timeframe
Requires further technical analysis to determine potential savings	A (was B)	9-12 months
<b>Comment:</b> This recommendation will be incorporated into the work of Recommendation #28.		

**RECOMMENDATION #30**

Develop an implementation plan for a "pay to stay" program for the Fremont Detention Center – **Further analysis needed (Category 2).**

ANALYSIS STEPS

- Pending Alameda County Superior Court and Alameda County Sheriff approval.

Potential Annual Savings	Priority	Analysis Timeframe
\$250,000 to \$300,000	A	12 months
<b>Comment:</b> This recommendation is dependent on obtaining approval from the Alameda County Superior Court and Alameda County Sheriff. The outcome is anticipated by July 1, 2012.		

**RECOMMENDATION #31**

Develop a comprehensive asset management program, identify market rental rates and subsidies, and sell unneeded or under-performing properties – **Implement (Category 1)**

IMPLEMENTATION STEPS

- Gather examples of other public agency asset management systems.
- Review comprehensive list of City properties and revise/update as necessary.
- Have City real property staff identify market rental rates for City properties that are currently or could be rented.
- Determine market value of properties that could be sold.
- Determine maintenance costs for Real Property and Maintenance staff for properties to be leased and include in an Asset Management Plan (AMP).
- Recommend to Council the properties that should be sold or rented.
- Finalize the AMP and implement
- Proceed to modify rents and sell property as directed by Council.

Potential Annual Savings	Priority	Implementation Timeframe
Requires further technical analysis to determine potential savings	A	9-12 months



**RECOMMENDATION #32**

Increase the Clean Water Protection fee for FY 2012/13 – **Further analysis needed (Category 2).**

ANALYSIS STEPS

- Develop proposed fee structure.
- Determine return on investment (ROI) for conducting the two-step process of Election and Majority Protest.
- If ROI is positive, implement two step processes of Election and Majority Protest.
- Adopt a procedure for the majority protest.
- Develop notice and obtain Council approval to send.
- Identify the property owners, prepare and send the notice.
- Hold hearing.
- Tabulate protests.
- If majority protest received, fee cannot be implemented.
- No majority protest - need to confirm if fee can be implemented or if a vote is needed.

Potential Annual Savings	Priority	Implementation Timeframe
\$130,000	A (was B)	6-9 months
<b>Comment:</b> This is a property related fee subject to the requirements of Prop. 218. This would require a vote to implement after following a majority protest process.		

**RECOMMENDATION #33**

Add at least one analytical position to the budget to provide immediate and ongoing analytical support – **Further analysis needed (Category 2).**

ANALYSIS STEPS

- Identify operational needs of the City.
- Determine appropriate classification to meet City needs.
- Analyze options for meeting additional body of work including assessing internal capacity of existing staff as opposed to creating a new position and classification.
- If it is determined that a new position is required, create classification, job description, salary range, determine appropriate bargaining unit, identify funding for the position, and seek approval of additional FTE and required appropriation. Once the position has been approved, determine the best method to recruit for the position.
- Recruit and appoint position.

Potential Annual Savings	Priority	Analysis Timeframe
TBD	TBD	TBD